

NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY

Friday, January 13, 2006 - 3:00 p.m.

NACO Building - 201 South Roop Street – SECOND FLOOR CONFERENCE ROOM
Carson City, Nevada 89701

MEETING MINUTES

The following minutes are a summarized explanation of the topics discussed. A taped recording of these proceedings will be kept for review. A copy is on disk in Microsoft Word and a copy has been e-mailed to Project Coordinator.

3:00 P.M. CALL TO ORDER

Chairman Hadfield called the meeting of the Commission for the Reconstruction of the V&T Railway to order at 3:00 p.m. He noted Commissioner Weber would join late and Commissioner Baushke would join via phone. After welcoming everyone he asked for the roll to be called.

1. ROLL CALL

Kevin Ray called the roll.

Present:

Commissioner Robert Hadfield
Commissioner John Flanagan
Commissioner Ron Allen
Commissioner Janice Ayres
Commissioner Marv Teixeira
Commissioner Bonnie Weber (join 3:20)
Commissioner Jim Baushke (by phone 3:45)

Absent:

Commissioner John Tyson
Commissioner Chet Hillyard

Also Present:

Michael Rowe, Legal Counsel
Kevin Ray, Project Coordinator

It was noted there was a quorum present.

2. APPROVAL OF THE AGENDA

This is the tentative schedule for the meeting. The Commission reserves the right to take items in a different order to accomplish business in the most efficient manner.

The Chairman called for any changes and/or amendments to the proposed Agenda. With none stated, Commissioner Allen made the motion to accept and approve the agenda as posted. The motion was seconded by Commissioner Flanagan. The Chairman called the question, the motion carried and was so ordered.

3. ACTION TO APPROVE THE MINUTES OF DECEMBER 5, 2005

This item was postponed until the February meeting.

4. PUBLIC COMMENT ON NON-AGENDIZED ITEMS: ***Discussion may be limited to three minutes per person at THE DISCRETION OF THE CHAIRMAN. NO ACTION MAY BE TAKEN ON A MATTER RAISED UNDER THIS PORTION OF THE AGENDA UNTIL THE MATTER ITSELF HAS BEEN SPECIFICALLY INCLUDED ON AN AGENDA AS AN ITEM UPON WHICH ACTION MAY BE TAKEN.***

Chairman Hadfield called for public comments and none were stated.

5. **COMMISSIONERS CONSENT AGENDA: ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED ROUTINE AND MAY BE ACTED UPON BY THE COMMISSION WITH ONE ACTION AND WITHOUT AN EXTENSIVE HEARING. ANY MEMBER OF THE COMMISSION OR ANY CITIZEN MAY REQUEST THAT AN ITEM BE TAKEN FROM THE CONSENT AGENDA, DISCUSSED AND ACTED UPON SEPARATELY DURING THIS MEETING.**

5.1.1. **ACTION TO RATIFY THE PAYMENT OF BILLS SUBMITTED**

The Chairman called for motion to ratify the payment of bills submitted which amounted to \$104,501.25. There was no discussion. Commissioner Ayres made a motion to ratify the payment of bills submitted. The motion was seconded by Commissioner Teixeira. The Chairman called the question, the motion carried and was so ordered.

****END OF CONSENT AGENDA****

6. **REVIEW AND POSSIBLE ACTION REGARDING AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS; BWG, LTD., A NEVADA LIMITED LIABILITY COMPANY, SELLER. THE COMMISSION WILL CONSIDER AND ACT ON THE PROPOSED COMMISSION PURCHASE OF THAT PROPERTY COMMONLY KNOWN AS CARSON CITY ASSESSOR'S PARCEL NO: 08-521-62; 6343 HWY. 50 EAST, CARSON CITY, NV. SUBJECT TO THE TERMS AND PROVISIONS OF THE PURCHASE AGREEMENT. ACTION ITEM.**

Commission discussed the possible purchase of a 3.6 acre parcel along with a 13,000 square foot building located at 6343 E. Hwy. 50 off Drako Way. There is 9400s.f. on the first floor and 3600s.f. on the second floor of the building. The parcel is owned by Shaw Construction and leased by BWG, Ltd. The Purchase price is \$1.5 million with a \$25,000 deposit. The escrow is set for February 6th. Counsel went over the location and why it is a perfect parcel and it is connected to the proposed slated depot site. They have established some conditions that must be satisfied before closing. Counsel discussed those conditions: (1) Parcel must appraise at or above the purchase price (2) Have a Phase 1 environmental report conducted (3) Have an engineering report done (4) BWG must successfully exercise its option to purchase (5) The right to approve the title report. BWG, Ltd. wants to maintain their business as long as they can and the agreement would allow BWG to continue using the site and lease it back from the Railway for a \$1.00 a year. (Commissioner Baushke joined by phone) Counsel discussed and explained the agreement and conditions for the purchase. The close of escrow is scheduled for February 6, 2006. Ken Dorr discussed the easement that came up in the title report and the engineering of Phase 1. Gary Luce is looking at the Geo Technical issues on the site. Mr. Dorr discussed some possible uses for the building. There were no concerns at this time on any of the issues they need to do. There will be no Federal monies involved for the purchase of the property, but the money would come from the Carson City Bond Funds.

Chairman asked for public comments on this item. Karen Woodmansee of the Nevada Appeal had a couple of questions for clarification. Del White of BWG, Ltd said he saw this as a win/win situation for everyone. Commissioner Allen asked Mr. White if they would be able to store material at the site. With no other public comments, the Chairman asked if there was any other comments from the Commission.

Commissioner Ayres made a motion to approve the Agreement of Purchase and Sale and Joint Escrow Instructions; BWG, LTD., A Nevada Limited Liability Company, Seller. The Purchase of that property commonly knows as Carson City Assessor's Parcel NO: 08-521-62; 6343 HWY. 50 EAST, CARSON CITY, NV. Subject to the Terms and Provisions of the Purchase Agreement. The motion was seconded by Commissioner Weber. The Chairman asked if there was any discussion on the motion, with none stated. The Chairman then called the question, the motion carried and was so ordered. Counsel Rowe noted that Del White had asked him to write his agreement with Shaw and LLC, which is in conflict under the law. He asked if the Commission objected to his doing that. The Commission agreed there was no objection to his doing it. Counsel Rowe said he thought it better if no fees passed between him and Mr. White. Commissioner Teixeira said any money Mr. White would pay should go to the Commission and Counsel Rowe would be paid by the Commission. The Commission unanimously agreed in allowing Counsel to proceed in writing this agreement. Commissioner Teixeira said he would

be amazed if this purchase didn't come out as a huge win for the Commission.

7. COMMISSIONER COMMENTS

Commissioner Ayres presented a check in the amount of \$26,500, earmarked for the purchase of the steam engine. Commissioner Ayres thanked Ted short for his work in raising \$25,000 of the money from Earl and Wanda Cassazza. The check was given to Tom Minton of Carson City for deposit into the Commissions account. She commented on the Silver Spike Ceremony, stating it was very nice and they had a good turnout of about 250 people. A Heavyweight Painting and a Silver Spike Plaque was presented to Senator Reid in appreciation of all his work and support in getting money. She also thanked everyone who worked on the ceremony. Commissioner Teixeira commented on the turnout and success of the ceremony and complimented all involved.

Commissioner Ayres also gave a thank you to John Farari who furnished the wine. The Carson City Convention and Visitors Bureau furnished the hors d'oeuvres.

Commissioner Allen updated the Commission on the five rail cars in San Francisco. They did purchase all five for \$25,000. He explained they had to be moved by February 15 and that they would have them moved the first week in February. He explained the process of how they would be moved. They would be moved to Portola and would be trucked from there to Carson.

Commissioner Flanagan said that they were finally getting the sales tax coming into Storey County instead of going to Washoe County. He said the Commission would benefit from that. He apologized for not being able to attend the Spike Ceremony but he had a commissioner meeting. Chairman Hadfield welcomed Commissioner Weber. Commissioner Teixeira showed a letter he had received from Department of Transportation on January 9th, regarding intent to study the reconstruction from gold Hill to Carson. He asked if it was just an information letter.

Ken Dorr said it was and that they were going to do an update on the environmental work. They were having two informational meetings, one in Carson City on the 24th and one in Lyon County on the 25th. Commissioner Weber said they were looking forward to the presentation to Washoe County on January 17th. Counsel Rowe noted that at the location of Portal of Tunnel 2, they needed to store material there and the owner had asked to be held harmless for the storage of that material. Gary Luce asked for a letter for some test pits and he had the letter for signatures. He explained the reason for the letter and said that it was just a routine letter. Northern Nevada Title Co. has finished its work on Phase 2 preliminaries, and Stewart Title said they should have their preliminaries on Phase 2 by the January 31st Right of Way Setting meeting. In regards to the consultant search to help develop an RFP, he reported he had contacted Northwest and they were not interested in. He received a call from Mid West Rail Car firm who are not interested but did work with a consultant and asked if they could submit a proposal. Did receive and will have a proposal for the next meeting, from Virginkar Associates. They would have a comparison with Stone's report. Stone Consulting and Virginkar are the only two responses he has gotten thus far and that should be on the February agenda.

8. ACTION ON THE NEXT COMMISSION MEETING

The next meeting of the Commission for the Reconstruction of the V&T Railway was confirmed for Monday, February 6, 2006 at 3:00 p.m. at the NACO Building.

9. ADJOURNMENT

Commissioner Teixeria made a motion to adjourn the meeting and it was seconded by Commissioner Allen. This meeting of the Commission for the Reconstruction of the V&T Railway adjourned at 4:20 p.m.